

PP Business Benefits

Better cost information:

Full integration with finance and asset provides automated, real-time financial postings. Therefore, at any time, both financial and asset reporting information can be obtained.

Integrated business process:

An asset acquisition posting simultaneously updates the property sub-ledger and the General Ledger (GL) for capitalized property. Therefore, when an acquisition is posted to an Asset, the Asset Master is updated with the Asset Cost and the corresponding asset GL account is also updated with the same Asset Cost keeping both systems in balance.

Increased data integrity and reduced double entry of data in multiple systems:

Because the Asset Master is linked with the financial system, the same data is used for multiple financial postings, inventory, maintenance, and transfers. As a result, there is less chance for data entry error.



Overview

The Financial and Business Management System (FBMS) supports the physical and accounting control over the Department's personal property. The system provides information on accountability for the initial acquisition, tracking and control, utilization, and disposal of accountable, personal property within DOI. It will assist with inventory management, construction planning, and environmental reporting. Full integration with financial and asset accounting provides automated, real-time financial postings.

Property records in FBMS will be represented as Asset Master Records in the Asset Accounting Module. An asset record will be maintained for all system-controlled personal and real property assets (capitalized and non-capitalized). The asset management module will be used for personal property with an acquisition cost of \$5,000 or greater (with either book/non-book depreciation), capital acquisitions of personal property \$15,000 or greater, software purchases of \$100,000 or greater, firearms (regardless of cost), real property (Land, Building, Structures, Lease hold improvements) greater than \$5,000 and other bureau-managed property. The system will accommodate Departmental approved waivers to capitalization thresholds. The Asset Master Record will contain both non-financial data (e.g. description, serial number, inventory number, location, CPO, CE, manufacturer, etc) as well as financial data (e.g. business area, fund, funds center, functional area, depreciation cost center or WBS).

Key Features

- **Accounting for Capitalized and Non-Capitalized Property:** All capitalized asset classes will maintain two depreciation areas or books while non-capitalized asset classes will maintain one. Area 01 (financial General Ledger) will maintain book depreciation and generate postings to FI when value postings such as acquisition, transfer, retirements, and depreciation are processed. Area 01 will be deactivated for non-capitalized asset classes. Area 02 will calculate memo depreciation and will have no integration with the FI general ledger. This area can be used for property management purposes to set different useful lives or salvage values if needed for personal property management.
- **Acquisition & Receiving:** Each asset master record captures the method and date of property acquisition, and records the results of the physical inspection. The asset master record is created as part of the purchasing process when the Purchase Order (PO) is created or as part of a manual acquisition (non-PO) transaction. The User Product Code (UPC) will be entered into the purchase request, which automatically determines the asset class of the item. The UPC and unit cost will be used to map the correct capital or non-capital asset class. Finally, the asset will be capitalized at the time of Goods or Invoice Receipt.
- **Direct Lease Personal Property Administration:** All the financial processes for personal property acquired through a lease agreement are managed within FBMS. This process includes calculating and allocating the interest expense for lease payments and applying the balance to reduce capital lease liability for a capital or operating lease. This links to acquisition through the DOI Capital Lease Determination spreadsheet which is utilized when the initial purchase request is created.
- **Disposals and Transfers:** FBMS will capture all essential information related to excess property, disposal or transfer data as required by Federal Management Regulation (FMR) 102-36 this includes: type of disposal action (e.g., retirement, exchange, sale, donation, etc.), final disposition, and date of disposal. It also documents the transfer or disposal of personal property and the change in responsibility from one custodial property official to another authorized official.
- **Projects (Assets Under Construction):** The integrated nature of FBMS enables for planning, executing, and accounting for projects. FBMS will capture and accumulate costs associated with activities such as capitalizing a piece of equipment, large software development efforts, or the purchase of personal property. The system will be able to monitor costs, provide project status and manage personal property during its life cycle (e.g. track new book value, depreciation, location, etc.).
- **Environmental, Greening & Recycling Management:** DOI is mandated by Executive Order and other regulatory guidance to prevent waste, recycle, reuse, and acquire environmentally friendly products. FBMS will capture the information necessary to produce the reports required by Congress and other Federal agencies regarding greening requirements.

Please visit the FBMS website for further information: <http://www.myinterior.doi.net/fbms/>